

**WAYNE COUNTY EMERGENCY  
COMMUNICATIONS DISTRICT**

**FINANCIAL STATEMENTS  
AND AUDITOR'S REPORTS**

**FOR THE YEAR ENDED JUNE 30, 2010**

**Ronnie L. Clay  
Certified Public Accountant  
740 Johnson's Crossroad  
Jacks Creek, TN 38347**

**WAYNE COUNTY EMERGENCY COMMUNICATIONS DISTRICT  
JUNE 30, 2010**

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## **INTRODUCTORY SECTION**

**WAYNE COUNTY EMERGENCY COMMUNICATION DISTRICT**  
**Roster of Management Officials**  
**and Board Members**  
**(Unaudited)**

**DIRECTOR:**

**Jimmy Turnbow**

**BOARD OF DIRECTORS:**

**Frank Quigley, Chairman**

**Jerry Butler**

**Janice Harris**

**Keith Wilbanks**

**Amanda Wilson**

**Gary Cook**

**Melba Staggs**

**Mike Smith**

**Randy Burns**

**WAYNE COUNTY EMERGENCY COMMUNICATIONS DISTRICT**  
**June 30, 2010**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**

Our discussion and analysis of the Wayne County Emergency Communications District financial performance provides an overview of the District's financial activities for the year ended June 30, 2010. Please read it in conjunction with the District's financial statements.

**USING THIS ANNUAL REPORT**

This annual report consists of a series of fund financial statements. These financial statements provide information about the activities and operations of the District.

**The Statement of Net Assets, the Statement of Revenues, Expenses, and Changes in Fund Net Assets, and the Statement of Cash Flows**

One of the most important questions asked about the District's finances is, "Is the District better off or worse off as a result of the year's activities?" The Statement of Net Assets, the Statement of Revenues, Expenses, and Changes in Fund Net Assets, and the Statement of Cash Flows report information about the District's activities in a way that helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These statements report the District's net assets, changes in net assets, and cash flows. You can think of the District's net assets - the difference between assets and liabilities - as one way to measure the District's financial health, or financial position. Over time, increases or decreases in the District's net assets are one indicator of whether its financial health is improving or deteriorating.

**THE DISTRICT'S CONDENSED FINANCIAL INFORMATION**

The District's activities are reported using a proprietary (business-type) fund. For the years ended June 30, 2009, and 2010, net assets changed as follows:

	June 30, 2009	June 30, 2010	% increase (decr.)
Beginning net assets	\$ 633,090.30	\$ 664,684.10	
Increase in net assets	31,593.80	52,134.50	7.84%
Ending net assets	\$ 664,684.10	\$ 716,818.60	

This represents an increase of 4.99% for 2009, and an increase of 7.84% for 2010.

The ending net assets for 2010 are presented in three categories in the Statement of Net Assets as follows:

Invested in capital assets, net of related debt	\$ 370,880.26
Restricted	0.00
Unrestricted	345,938.34
	\$ 716,818.60

Unrestricted net assets represents the part of net assets that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements.

The following schedules present a summary of revenue and expenses for the year ended June 30, 2010, and the amount and percentage of increases and decreases in relation to the prior year.

	June 30, 2010 Amount	June 30, 2009 Amount	Increase (Decrease) from 2008 FYE	Percent Increase (Decrease)
Operating revenue	255,540.31	231,185.82	24,354.49	10.53%
Non-operating revenue	6,500.52	3,947.11	2,553.41	64.69% *
Capital contributions	29,790.35		29,790.35	
Expenses	239,696.68	203,539.13	36,157.55	17.76% **

**WAYNE COUNTY EMERGENCY COMMUNICATIONS DISTRICT**  
**June 30, 2010**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**(Continued)**

**BUDGETARY HIGHLIGHTS**

Total operating revenue was over budget by \$1,040.31. Total operating expenses before depreciation were under budget by \$34,259.75. Net operating income was under budget by \$ 22,206.37, because of depreciation of \$57,506.43 which was not budgeted.

**CAPITAL ASSETS**

At June 30, 2010, the District had \$955,857.51 invested in capital assets, net of accumulated depreciation. A schedule of these assets follows.

	Cost	Accum. Depr.	Net
Depreciable assets:			
Equipment	\$ 402,837.81	\$ (273,100.75)	\$ 129,737.06
Vehicles	17,746.00	(17,745.72)	0.28
Maps	32,227.00	(30,473.92)	1,753.08
Building	820,294.09	(51,170.92)	769,123.17
	1,273,104.90	(372,491.31)	900,613.59
Other capital assets:			
Land	55,243.92		55,243.92
Totals	\$ 1,328,348.82	\$ (372,491.31)	\$ 955,857.51

Additions during the year: Equipment \$65,732.91

**LONG-TERM DEBT**

At June 30, 2010, the District was indebted to Bank of America in the amount of \$584,977 @ 4.55% interest. This amount is payable over a twenty year period, with seventeen years remaining at June 30, 2010. Principal payments are due as follows:

FYE June 30,	Amount due per year	Total due
2011-2014	25,000.00	100,000.00
2015-2018	30,000.00	120,000.00
2019-2021	35,000.00	105,000.00
2022-2024	40,000.00	120,000.00
2025-2026	45,000.00	90,000.00
2027	49,977.00	49,977.00
		\$ 584,977.00

This debt is for the construction of a new building which the District now occupies.

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGET**

We do not anticipate any economic factors which would have a material effect on operations for the next fiscal year ending June 30, 2011. The budget for fiscal year 2011 does not include any large or unusual items in addition to normal operating expenses.

## **FINANCIAL SECTION**

**RONNIE L. CLAY**  
**Certified Public Accountant**  
**740 Johnson's Crossroad**  
**Jacks Creek, TN 38347**

**INDEPENDENT AUDITORS' REPORT**

Board of Directors  
Wayne County Emergency Communications District  
Waynesboro, Tennessee

We have audited the accompanying financial statements of Wayne County Emergency Communications District (E911), a component of Wayne County, Tennessee, as of and for the year ended June 30, 2010, as listed in the table of contents. These financial statements are the responsibility of Wayne County Emergency Communications District's (E911) management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. Our audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

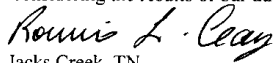
In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Wayne County Emergency Communications District (E911), as of June 30, 2010, and the results of its operations and cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The management's discussion and analysis, presented as required supplementary information on pages 5-6, is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. This information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.



Our audit was conducted for the purpose of forming an opinion on the financial statements of Wayne County Emergency Communications District. The introductory section and the supplementary information section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The information in these sections has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on it.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 13, 2010, on our consideration of Wayne County Emergency Communications District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations and contracts. That report is an integral part of an audit performed in accordance with *Governmental Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.



Jacks Creek, TN  
December 13, 2010

**WAYNE COUNTY EMERGENCY COMMUNICATIONS DISTRICT**  
**Statement of Net Assets**  
**Proprietary Fund**  
**June 30, 2010**

**ASSETS**

<b>Current Assets:</b>		
Cash in Bank: Checking	\$	104,954.16
Petty Cash		23.88
		<hr/>
Total Cash and Cash Equivalents	\$	104,978.04
Certificates of Deposit		237,094.57
Revenue Receivable		15,428.48
Accrued Interest Receivable		680.93
Prepaid Expenses		4,268.50
Inventory		4,060.00
		<hr/>
Total Current Assets	\$	366,510.52
<b>Non-current assets:</b>		
Land		55,243.92
Depreciable assets:		
Building	820,294.09	
Less Accum. Depreciation	(51,170.92)	
Equipment	402,837.81	
Less Accum. Depreciation	(273,100.75)	
Vehicles	17,746.00	
Less Accum. Depreciation	(17,745.72)	
Maps	32,227.00	
Less Accum. Depreciation	(30,473.92)	
	<hr/>	
Net depreciable assets		900,613.59
		<hr/>
Total non-current assets		955,857.51
		<hr/>
<b>Total Assets</b>		<b>1,322,368.03</b>

**LIABILITIES**

<b>Current Liabilities:</b>		
Accounts Payable	1,000.04	
Wages Payable	5,798.72	
Payroll Taxes Payable	660.76	
Accrued Interest Payable	11,016.26	
Compensated Absences Payable	2,096.40	
Current portion of long-term debt	25,000.00	
	<hr/>	
Total Current Liabilities	\$	45,572.18
<b>Noncurrent Liabilities</b>		
Notes Payable		559,977.25
		<hr/>
Total Liabilities		605,549.43

**NET ASSETS**

Invested in capital assets, net of related debt		370,880.26
Restricted		0.00
Unrestricted		345,938.34
		<hr/>
<b>Total Net Assets</b>	<b>\$</b>	<b>716,818.60</b>

The accompanying notes are an integral part of these financial statements.

**WAYNE COUNTY EMERGENCY COMMUNICATIONS DISTRICT**  
**Statement of Revenues, Expenses, and Changes in Fund Net Assets**  
**Proprietary Fund**  
**Year Ended June 30, 2010**

<b>Operating Revenue:</b>	
Emergency Telephone Service Charge	\$ 98,427.07
State ECB - Shared Wireless Charge	42,633.48
State ECB - Operational Funding	114,479.76
Total Operating Revenue	\$ 255,540.31
<b>Operating Expenses:</b>	
<b>Salaries and Wages:</b>	
Salary, director	48,422.16
Salary, administrative personnel	29,669.60
Salary, dispatcher	8,402.97
Pay bonuses	15,329.83
Total Salaries and Wages	101,824.56
<b>Employee Benefits:</b>	
Social security taxes	6,098.49
Medicare taxes	1,422.09
Unemployment compensation taxes	368.72
Total Employee Benefits	7,889.30
<b>Contracted Services:</b>	
Mapping expense	
Advertising	
Auditing services	3,700.00
Accounting services	120.00
Contracts with private agencies	1,256.25
Fees paid to service providers	6,149.56
Legal services	37.50
Maintenance agreements	13,552.53
NCIC/TBI/TIES expenses	8,000.00
Pest control	276.00
Maintenance & repairs - communications equipment	861.62
Maint. & repairs, buildings & facilities	1,427.42
Maintenance & repairs - office equipment	119.00
Maint. & repairs, vehicles	908.63
Fuel - Vehicles	897.03
Maintenance & upkeep - grounds	820.00
Total contracted services	38,125.54
<b>Supplies &amp; Materials:</b>	
Office supplies	890.56
Custodial supplies	230.95
Postage	207.40
Small equipment purchases	1,288.34
Uniforms & shirts	192.01
Utilities - electric	8,137.25
Utilities - water	492.88
General Telephone	8,844.35
Other supplies & materials	255.90
Total supplies & materials	20,539.64

**WAYNE COUNTY EMERGENCY COMMUNICATIONS DISTRICT**  
**Statement of Revenues, Expenses, and Changes in Fund Net Assets**  
**Proprietary Fund**  
**Year Ended June 30, 2010**

<b>Other Charges:</b>	
Bank charges	
Board meeting expense	200.00
Dues and memberships	143.00
Insurance - building and contents	6,833.50
Insurance, vehicles	950.00
Licenses and fees	150.25
Premiums on surety bonds	375.00
Service awards	62.94
Training expenses	3,530.81
Travel expenses	1,565.71
Total other charges	<u>13,811.21</u>
Operating Expenses, before depreciation	<u>182,190.25</u>
Depreciation	57,506.43
Total operating expenses	<u>239,696.68</u>
Net Operating Income	<u>15,843.63</u>
Non-operating revenue (expense):	
Interest income	4,779.70
State ECB grants	21,804.00
Interest expense	(27,283.18)
Rental income	7,200.00
Total non-operating revenue (expense)	<u>6,500.52</u>
Capital contributions:	
Capital contributions from TECB	<u>29,790.35</u>
Increase (decrease) in net assets	<u>52,134.50</u>
Net assets, beginning of year	664,684.10
Net assets, end of year	<u>\$ 716,818.60</u>

The accompanying notes are an integral part of these financial statements.

**WAYNE COUNTY EMERGENCY COMMUNICATIONS DISTRICT**  
**Statement of Cash Flows**  
**Proprietary Fund**  
**Year ended June 30, 2010**

<b>Cash flows from operating activities:</b>	
Receipts from telephone companies	\$ 98,529.40
Receipts from wireless charges	51,439.53
Receipts from TECB operational funding	128,841.22
Rental income	7,200.00
Payments to suppliers for goods and services	(73,927.44)
Payments for payroll, taxes, and related benefits	(107,718.13)
Net cash provided (used) by operating activities	<u>\$ 104,364.58</u>
<b>Cash flows from noncapital financing activities:</b>	
Grants/reimbursements from State ECB	21,804.00
Net cash provided (used) by noncapital financing activities	<u>21,804.00</u>
<b>Cash flows from capital and related financing activities:</b>	
Purchase of capital assets	(65,732.91)
Principal payments on long-term debt	(25,000.00)
Interest paid on long-term debt	(27,753.97)
Capital contributions from TECB	29,790.35
Net cash provided (used) by capital and related financing activities	<u>(88,696.53)</u>
<b>Cash flows from investing activities:</b>	
Interest income	4,098.77
( Increase) decrease in certificates of deposit	3,928.51
Net cash provided (used) by investing activities:	<u>8,027.28</u>
Net increase (decrease) in cash and cash equivalents	<u>45,499.33</u>
Balances, beginning of year	59,478.71
Balances, end of year	<u>\$ 104,978.04</u>
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>	
Operating income (loss)	\$ 15,843.63
Adjustments to reconcile operating income to net cash provided (used) by operating activities:	
Cash flows reported in other categories: Rental income	7,200.00
Depreciation expense	57,506.43
Change in assets and liabilities:	
Receivables	23,269.84
Prepaid expenses	(3.50)
Inventory	
Accounts payable	(1,447.55)
Accrued expenses	1,995.73
Net cash provided by operating activities	<u>\$ 104,364.58</u>
See accompanying notes to the basic financial statements.	

## **NOTES TO THE FINANCIAL STATEMENTS**

**WAYNE COUNTY EMERGENCY COMMUNICATIONS DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2010**

**NOTE 1- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Reporting Unit**

The Wayne County Emergency Communications District is a component unit of Wayne County, Tennessee. The Wayne County Executive appoints the District's Board of Directors.

The County has the statutory authority to significantly influence operations. This authority includes, but is not limited to, control over all assets, including the facilities and properties, short-term and long-term borrowing, and signing contracts.

**Basis of Accounting**

Basis of accounting refers to when revenue and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

The District accounts for its activities using the accrual basis of accounting. Revenue is recognized when it is earned, and expenses are recognized when they are incurred.

**Income Taxes**

The District is exempt from federal and state income taxes since it is a political subdivision of the State of Tennessee.

**Budget and Budgetary Accounting**

Budget is adopted on a basis consistent with generally accepted accounting principles.

The budget is prepared by the District's director, and is approved and adopted by the board.

As an extension of the formal budgetary process, the Board may transfer or appropriate additional funds for expenses not anticipated at the time of budget adoption. All unexpended appropriations lapse at the end of the fiscal year unless the Board authorizes retention.

The policy is to not allow expenses to exceed budgetary amounts at the individual line-item expense level without obtaining additional appropriation approval from the Board. For the current year, all line items were within budget except for interest expense which was over budget by \$12,283.18. Operating expenses in total, before depreciation, were under budget by \$34,259.75.

**Deposits and Investments**

The District considers cash on hand, demand deposits and all highly liquid investments with maturity of three months or less from date acquired to be cash equivalents. State statutes authorize the District to invest in obligations of the U. S. Treasury, certificates of deposit and the pooled investment fund established by the State.

Cash and cash equivalents at June 30, 2010, \$104,978.04, consisted of demand deposits and a small petty cash fund.

**WAYNE COUNTY EMERGENCY COMMUNICATIONS DISTRICT  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2010**

**Property and Equipment**

Property and equipment are stated at cost. Depreciation is calculated using the straight-line method at rates adequate to allocate the cost of applicable assets over their expected useful lives. The estimated useful lives are as follows:

Equipment & other fixtures	3-15 years
Vehicles	7 years
Buildings	40 years

Interest cost incurred on short-term interim financing during the construction period of fixed assets is capitalized as a part of the cost of asset.

**Accumulated Vacation and Sick Leave**

The District has no written policy relative to vacation and sick leave. There are two full-time employees, the director and one administrative employee, and each receives two weeks of paid vacation each year. Accrued vacation pay at June 30, 2010, was \$ 2,096.40.

Sick leave accumulates at one day per month. Employees are not paid for accumulated sick leave upon termination.

**NOTE 2- GEOGRAPHIC OPERATIONS**

The District's operations are within Wayne County, Tennessee, and it derives its revenue primarily from user charges to customers within Wayne County, Tennessee.



**WAYNE COUNTY EMERGENCY COMMUNICATIONS DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**JUNE 30, 2010**

**NOTE 3 - CASH AND INVESTMENTS**

At June 30, 2010, cash and cash equivalents and investments consisted of the following:

**Cash and cash equivalents**

Checking accounts:

Wayne County Bank	\$ 104,954.16
The Peoples Bank of Clifton	0.00
Petty cash	23.88
Total cash and cash equivalents	<u>\$ 104,978.04</u>

**Investments**

Certificates of deposit:

	Cert. #	Interest rate	Balance at June 30, 2010	Issue date	Maturity date
Wayne County Bank	114566	1.00%	\$ 100,000.00	6/30/2010	12/30/2010
	63533	1.00%	\$ 55,000.00	6/30/2010	12/30/2010
The Peoples Bank of Clifton:	50921	1.75%	82,094.57	1/8/2010	7/19/2010
Total certificates of deposit			<u>\$ 237,094.57</u>		

The District's cash in bank and certificates of deposit were entirely covered by FDIC insurance for the year ended June 30, 2010.

**Custodial Credit Risk - Deposits**

Custodial credit risk is the risk that in the event of a bank failure, the District could possibly lose its money. The District does not have a deposit policy for custodial credit risk. At June 30, 2010, the District's total deposits were covered by FDIC insurance.

**WAYNE COUNTY EMERGENCY COMMUNICATIONS DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**JUNE 30, 2010**

**NOTE 4 - FIXED ASSETS**

A summary of changes in fixed assets for the fiscal year is as follows:

	Balance June 30, 2009	Additions	Retirements	Balance June 30, 2010
Land	\$ 55,243.92			\$ 55,243.92
Construction in progress, bldg.	0.00			0.00
Depreciable assets:				
Building	820,294.09			820,294.09
Accumulated depr., building	(30,702.55)	(20,468.37)		(51,170.92)
	789,591.54	(20,468.37)	0.00	769,123.17
Equipment	337,104.90	65,732.91		402,837.81
Accumulated depr., equipment	(238,207.85)	(34,892.90)		(273,100.75)
	98,897.05	30,840.01	0.00	129,737.06
Vehicles	17,746.00			17,746.00
Accumulated depr., vehicles	(17,745.72)	0.00		(17,745.72)
Net vehicles	0.28	0.00	0.00	0.28
Maps	32,227.00			32,227.00
Accumulated depr., maps	(28,328.76)	(2,145.16)		(30,473.92)
Net maps	3,898.24	(2,145.16)	0.00	1,753.08
Total fixed assets	1,262,615.91	65,732.91	0.00	1,328,348.82
Total accumulated depreciation	(314,984.88)	(57,506.43)	0.00	(372,491.31)
Net fixed assets	\$ 947,631.03	\$ 8,226.48	\$ -	\$ 955,857.51

**WAYNE COUNTY EMERGENCY COMMUNICATIONS DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**JUNE 30, 2010**

**NOTE 5 - LONG-TERM DEBT**

The District is indebted to Bank of America in the amount of \$584,977 at June 30, 2010. This debt bears interest at the rate of 4.55%, and is payable over a twenty year period with seventeen years remaining at June 30, 2010. This debt is for the construction of a new building which the District now occupies. Principal and interest payments to maturity are as follows:

<b>FYE</b>		
<b>June 30,</b>	<b>Principal</b>	<b>Interest</b>
2011	25,000.00	26,617.50
2012	25,000.00	25,480.00
2013	25,000.00	24,342.50
2014	25,000.00	23,205.00
2015	30,000.00	22,067.50
2016	30,000.00	20,702.50
2017	30,000.00	19,337.50
2018	30,000.00	17,972.50
2019	35,000.00	16,607.50
2020	35,000.00	15,015.00
2021	35,000.00	13,422.50
2022	40,000.00	11,830.00
2023	40,000.00	10,010.00
2024	40,000.00	8,190.00
2025	45,000.00	6,370.00
2026	45,000.00	4,322.50
2027	49,977.00	2,275.00
Totals	\$ 584,977.00	\$ 267,767.50

**WAYNE COUNTY EMERGENCY COMMUNICATIONS DISTRICT  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2010**

**NOTE 6- RELATIONS WITH OTHER GOVERNMENTS**

Dispatchers for the district are employees of, and are paid by, the county.

**NOTE 7- FASB PRONOUNCEMENTS SUBSEQUENT TO NOVEMBER 30, 1989**

Proprietary funds have the option of consistently following or not following Financial Accounting Standards Board pronouncements issued subsequent to November 30, 1989. The Wayne County Emergency Communications District selected the option of not following the pronouncements subsequent to November 30, 1989.

**NOTE 8- RISK MANAGEMENT CLAIMS AND JUDGMENTS**

Property and liability coverage, and public official bonds, are carried by the district in the form of commercial insurance. Settlement amounts have not exceeded insurance coverage in any of the three past years. The district does not record risk management activities in a separate fund.

**NOTE 9 – SEGMENT INFORMATION FOR ENTERPRISE FUND**

Additions to fixed assets, cost	\$ 65,733
Current year depreciation expense	(57,506)
Net Working Capital	320,938



## **SUPPLEMENTARY INFORMATION**

**WAYNE COUNTY EMERGENCY COMMUNICATION DISTRICT**  
**P. O. BOX 911**  
**WAYNESBORO, TENNESSEE 38485**  
**JUNE 30, 2010**

**SCHEDULE OF REQUIRED INFORMATION**

- A. The number of public safety answering points (PSAP)
- One (1)
- B. The address of each PSAP
- 911 Andrew Jackson Dr.  
Waynesboro, Tennessee 38485
- C. The type of system/equipment and database used by each PSAP
- Direct dispatch system  
Automatic Number Identification (ANI)  
Automatic Location Identification (ALI)
- D. The name, address, telephone number, and fax number of the director of the Emergency communication district
- Jimmy Turnbow  
P. O. Box 911  
Waynesboro, TN 38485
- Phone 931-722-7911  
Fax 931-722-9144
- E. The name, address, telephone number and fax number of the chairman of the Emergency communication district
- Frank Quigley  
3359 Chisolm Rd.  
Iron City, TN  
Phone 931-724-5546  
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**WAYNE COUNTY EMERGENCY COMMUNICATIONS DISTRICT**  
**Budgetary Comparison Schedule**  
**Year Ended June 30, 2010**  
**(Unaudited)**

	Actual	Budget	Variance Favorable (Unfavorable)
<b>Operating Revenue:</b>			
Emergency Telephone Service Charge	\$ 98,427.07	\$98,000.00	\$ 427.07
State ECB - Shared Wireless Charge	42,633.48	42,500.00	133.48
State ECB - Operational Funding	114,479.76	114,000.00	479.76
<b>Total Operating Revenue</b>	<b>\$ 255,540.31</b>	<b>\$ 254,500.00</b>	<b>1,040.31</b>
<b>Operating Expenses:</b>			
<b>Salaries and Wages:</b>			
Salary, director	48,422.16	\$51,000.00	2,577.84
Salary, administrative personnel	29,669.60	30,000.00	330.40
Salary, dispatcher	8,402.97	11,000.00	2,597.03
Pay bonuses	15,329.83	15,400.00	70.17
<b>Total Salaries and Wages</b>	<b>101,824.56</b>	<b>107,400.00</b>	<b>5,575.44</b>
<b>Employee Benefits:</b>			
Social security taxes	6,098.49	7,500.00	1,401.51
Medicare taxes	1,422.09	2,000.00	577.91
Unemployment compensation taxes	368.72	500.00	131.28
<b>Total Employee Benefits</b>	<b>7,889.30</b>	<b>10,000.00</b>	<b>2,110.70</b>
<b>Contracted Services:</b>			
Mapping expense		200.00	200.00
Advertising		1,000.00	1,000.00
Auditing services	3,700.00	3,700.00	0.00
Accounting services	120.00	200.00	80.00
Architects		100.00	100.00
Contracts with private agencies	1,256.25	11,500.00	10,243.75
Fees paid to service providers	6,149.56	10,500.00	4,350.44
Legal services	37.50	500.00	462.50
Maintenance agreements	13,552.53	15,000.00	1,447.47
NCIC/TBI/TIES expenses	8,000.00	10,000.00	2,000.00
Other consultants		200.00	200.00
Pest control	276.00	500.00	224.00
Rent - Building & facilities			0.00
Rent - Office equipment			0.00
Maintenance & repairs - communications equipment	861.62	1,000.00	138.38
Maint. & repairs, buildings & facilities	1,427.42	1,500.00	72.58
Maintenance & repairs - office equipment	119.00	500.00	381.00
Maint. & repairs, vehicles	908.63	1,000.00	91.37
Fuel - Vehicles	897.03	1,000.00	102.97
Maintenance & upkeep - grounds	820.00	1,000.00	180.00
<b>Total contracted services</b>	<b>38,125.54</b>	<b>59,400.00</b>	<b>21,274.46</b>
<b>Supplies &amp; Materials:</b>			
Office supplies	890.56	1,000.00	109.44
Custodial supplies	230.95	300.00	69.05
Postage	207.40	300.00	92.60
Small equipment purchases	1,288.34	1,300.00	11.66
Uniforms & shirts	192.01	600.00	407.99
Utilities - electric	8,137.25	8,500.00	362.75
Utilities - water	492.88	800.00	307.12
General Telephone	8,844.35	9,000.00	155.65
Other supplies & materials	255.90	300.00	44.10
<b>Total supplies &amp; materials</b>	<b>20,539.64</b>	<b>22,100.00</b>	<b>1,560.36</b>



**WAYNE COUNTY EMERGENCY COMMUNICATIONS DISTRICT**  
**Budgetary Comparison Schedule**  
**Year Ended June 30, 2010**

<b>Other Charges:</b>			
Bank charges			0.00
Other misc. supplies			0.00
Board meeting expense	200.00	500.00	300.00
Dues and memberships	143.00	300.00	157.00
Insurance - building and contents	6,833.50	7,500.00	666.50
Insurance, vehicles	950.00	1,100.00	150.00
Licenses and fees	150.25	300.00	149.75
Premiums on surety bonds	375.00	800.00	425.00
Public education		1,100.00	1,100.00
Training expenses	3,530.81	3,600.00	69.19
Service awards	62.94	100.00	37.06
Travel expenses	1,565.71	2,000.00	434.29
Other charges		250.00	
Total other charges	13,811.21	17,550.00	3,738.79
Operating Expenses, before depreciation	182,190.25	216,450.00	34,259.75
Depreciation	57,506.43		(57,506.43)
Total operating expenses	239,696.68	216,450.00	(23,246.68)
Net Operating Income	15,843.63	38,050.00	(22,206.37)
Non-operating revenue (expense):			
Interest income	4,779.70	4,500.00	279.70
State ECB grants	21,804.00	21,500.00	304.00
Interest expense	(27,283.18)	(15,000.00)	(12,283.18)
Misc. income			0.00
Rental income	7,200.00	7,200.00	0.00
Total non-operating revenue (expense)	6,500.52	16,200.00	(11,699.48)
Capital contributions:			
Capital contributions from TECB	29,790.35	17,300.00	12,490.35
Increase (decrease) in net assets	52,134.50	73,550.00	(21,415.50)
Net assets, beginning of year	664,684.10	664,684.10	0.00
Net assets, end of year	\$ 716,818.60	\$ 738,234.10	(21,415.50)

The accompanying notes are an integral part of these financial statements.

**REPORT ON INTERNAL CONTROL AND ON COMPLIANCE**

**RONNIE L. CLAY  
CERTIFIED PUBLIC ACCOUNTANT  
740 JOHNSON'S CROSSROAD  
JACKS CREEK, TN 38347**

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING  
AND ON COMPLIANCE AND OTHER MATTERS  
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED  
IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

Board of Directors  
Wayne County Emergency Communications District  
Waynesboro, Tennessee

We have audited the financial statements of Wayne County Emergency Communications District (E911), a component unit of Wayne County, TN, as of and for the year ended June 30, 2010, and have issued our report thereon dated December 13, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered Wayne County Emergency Communications District's (E911) internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Wayne County Emergency Communications District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Wayne County Emergency Communications District's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider to be significant deficiencies.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Wayne County Emergency Communications District's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the Wayne County Emergency Communications District's financial statements that is more than inconsequential will not be prevented or detected by the Wayne County Emergency Communications District's internal control. We consider the deficiency described in the accompanying schedule of findings and responses (finding #10-1) to be a significant deficiency in internal control over financial reporting.

A material weakness is a significant deficiency, or combination of significant deficiencies, that result in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the Wayne County Emergency Communications District's internal control.

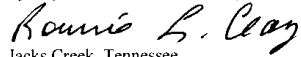
Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, we believe that none of the significant deficiencies described above is a material weakness.

**Compliance**

As part of obtaining reasonable assurance about whether Wayne County Emergency Communications District's (E911) financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards*, which is described in the accompanying schedule of findings as item #10-1.

Wayne County Emergency Communications District's response to the findings identified in our audit is described in the accompanying schedule of findings and responses. We did not audit the Wayne County Emergency Communications District's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of management, the district board of directors, others within the organization, and the Comptroller of the Treasury of the State of Tennessee, and is not intended to be and should not be used by anyone other than these specified parties.



Jacks Creek, Tennessee  
December 13, 2010

**WAYNE COUNTY EMERGENCY COMMUNICATION DISTRICT  
P.O. BOX 911  
WAYNESBORO, TENNESSEE 38485  
JUNE 30, 2010**

**SCHEDULE OF FINDINGS AND RESPONSES**

**CURRENT YEAR FINDINGS:**

09-1: Budgetary control

The district's operating expenses in total, before depreciation, were under budget; but one line item, interest expense, was over budget.

Management's response: This was an oversight on our part. We only budgeted a half year of interest expense. We will correct this on future budgets.

**WAYNE COUNTY EMERGENCY COMMUNICATIONS DISTRICT  
DISPOSITION OF PRIOR YEAR FINDINGS  
JUNE 30, 2010**

**Finding 09-1:** Line item expenses over budget.

Action taken: This has been corrected except for interest expense which was over budget because only a half year of interest expense was budgeted.